

DRAFT: 1 July 1980

MEMORANDUM FOR: Director of Central Intelligence
THROUGH : Deputy Director of Central Intelligence
FROM :
SA to the DCI for Compartmentation
SUBJECT : APEX--One System for Industry

1. As APEX proceeds, I am convinced that the single most difficult task will be to assure that the U. S. Government does, in fact, deal with industry in accord with a single set of SCI rules. As previously noted, at least some industrial representatives are completely without faith in the Government's ability to act on one set of rules even though all agree that all parties, especially the taxpayer, would benefit significantly from uniform action. A recommendation is contained in the last paragraph.

2. I am concerned that, even within CIA, not all senior managers recognize what is involved in creating a uniform Government-wide process for dealing with SCI and industry. For example, "one system" means CIA acceptance of:

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- Navy background investigations
- Army physical inspection of SCI facilities
- DoD adjudications of security investigations
- NSA-granted exceptions to the two-person rule
- Air Force periodic security examination of physical affairs
- Nondisclosure Agreement executed under NSA aegis
- SAFSS indoctrination for access to a particular system
- Department of Energy certification for a particular product access

25X1 3. A really integrated single system would involve even more, e.g., CIA acceptance of Air Force inspection, from a security point of view, of ☐ procedure in handling a CIA contract.

4. We have an approved APEX Security Policy Manual for industry; DIA is drafting a large and detailed implementation manual, which I intend to review before publication. Once both are issued, I propose to require that all U. S. parties are bound by the two publications; that is, CIA must abide by the added detail in the DoD implementing procedures.

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5. I believe that more effort is necessary to assure that all hands recognize what is involved throughout the Community and that CIA must be as pure as IVORY in this context.

6. A part of the problem in operating a single system is alleged by some to lie in DCIDs, especially 1/14 and 1/16, and in the NFIB policy on physical security. Some say the problem is that they are not sufficiently specific and detailed. Others say that they are misinterpreted in accord with local circumstances--frequently having to do with resource limitations. Another concern is "poly" or "no poly" for contractors. DCIDs are a separate problem, bearing heavily upon the creation of a single SCI system, but they are not proposed as a topic of this discussion.

7. I request, consequently, that I speak, in the presence of you and Mr. Carlucci, to the Deputy Directors, augmented by the Directors of Security, Logistics, perhaps Directors of OD&E, NPIC, and OSO, [] as CIA SIO, and whomever else you suggest on this problem. A DCI Staff meeting might be appropriate, even if it did not include some of the listed office directors. I would take perhaps 10 minutes.

8. After CIA's house is very clearly in order, a presentation probably should be made at NFIB, but a recommendation to that end should await assurance of clear perceptions by CIA officials. As I understand the reality, CIA and NSA are regarded by the rest of the Community as the principal creators of difficulties in that both impose what others consider extra-DCID standards on contractors.

9. I recommend that you approve a brief discussion by me of these concepts and problems and an appropriate gathering when you and the DDCI can participate. This memorandum was coordinated with Directors of Security, Logistics and Office of Development and Engineering.

10. All of the above paragraphs are classified CONFIDENTIAL.

[Redacted]

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APPROVED:

Director of Central Intelligence

Date